

Toyota says it expects a \$4.9bn operating loss by the end of the financial year. The Japanese car manufacturer lost \$4bn between October and December alone and said the industry was suffering a "greater than expected contraction". Roland Buerk reports.

Toyota is now the world's largest car maker, but only because sales at its great **rival** General Motors have **plunged** even more quickly.

The Japanese company is now **forecasting** an operating loss of 4.9 billion dollars by the end of the financial year.

The announcement came as Toyota **posted quarterly results** showing it **made an operating loss** of four billion dollars in October to December alone. It's the first time in its seventy year history it's **gone into the red** and comes after years of **record profits**.

Japan's exporters are being hit hard by the global economic downturn, and in recent days a string of big name companies have made **grim** results announcements. **Demand is falling** around the world for their electronics, machinery and cars. Japanese companies are being hurt further by the strength of the yen, which makes them less competitive and **erodes** the value of their earnings abroad.

Roland Buerk, BBC News, Tokyo

Vocabulary and definitions

rival	a person or company competing in the same area or industry
plunged	fallen suddenly
forecasting	‘to forecast’ means to say what you expect to happen in the future
posted quarterly results	made their financial profits or losses (over a period of three months) available to the public
made an operating loss	failed to make a profit despite still trading
gone into the red	fallen into debt
record profits	making more money than ever before
grim	without hope
Demand is falling	the need or desire for something is becoming less
erodes	decreases gradually

More on this story: <http://news.bbc.co.uk/1/hi/business/7873731.stm>

Read and listen to the story and the vocabulary online:

http://www.bbc.co.uk/worldservice/learningenglish/newsenglish/witn/2009/02/090206_toyota.shtml